

TSO Investment Planning & Delivery

PR5 Multi-Year Balanced Scorecard
2024 - 2028

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1 Introduction and Context

The Commission for Regulation of Utilities (CRU), in its Price Review 5 (PR5) decisions CRU/20/152¹ and CRU/20/154², has confirmed the ambitious plans that EirGrid as the Transmission System Operator (TSO) has set out in its PR5 transmission capital programme working towards the delivery of 2030 climate change targets. CRU/20/154 Section 7.8 provides an overview of the aims and objectives of the PR5 Investment Planning and Delivery (IPD) incentives process. The CRU published the 2023 Balanced Scorecards information paper, CRU202354³, in June 2023. Section 12.3 of the information paper sets out the CRU decision on this incentive for 2023.

This submission contains a proposed methodology to incentivise, audit and assess the TSO's IPD performance during 2024-2028 using a multi-year Balanced Scorecard approach as requested by CRU. It contains the targets for the 2024 and 2025 calendar years in a reasonable level of detail, as well as 2026 to 2028 at high level, under each heading provided for in CRU/20/154, section 7.8. The targets for subsequent years will be confirmed in advance of the relevant calendar year as part of the rolling annual submission and update of the multi-year incentive proposal.

In contrast with previous PR5 TSO multi-year plan consultations, the TSO published a Call for Input Consultation Paper in relation to the multi-year plans 2024-2028 in July 2023. Input was requested from stakeholders in relation to the plans in advance of finalisation and submission of same to the CRU. Section 4 of this document summarises how and where stakeholder consultation feedback was considered in the development of this incentive plan.

The CRU will review the post consultation multi-year plan and consider; the quality of the plan, its suitability for implementation and audit; and its impact across the areas set out in the IPD incentive. EirGrid's PR5 multi-year IPD plan for 2024-2028 as submitted to the CRU will inform the CRU's Balanced Scorecard 2024 Decision.

Progress against the targets set out within previous multi-year plans does not form part of this document. The TSO will report to CRU on progress as part of the end of year outturn reporting, detailing targets achieved and progress made, along with identification and justification for any deviations from the plan.

The detailed initiatives and plans within this multi-year incentive for 2026 onwards will be considered by the network companies as part of the future development of the PR6 Network Capex regulatory submission 2026-2030, therefore, more detailed commitments for the full five-year period beyond 2025 will not be contained in this multi-year incentive plan.

¹ [CRU20076 - TSO and TAO Transmission Revenue for 2021-2025](#)

² [CRU20154 - PR5 Regulatory Framework Incentives and Reporting](#)

³ [CRU202354 - Price Review Five: 2023 Balanced Scorecards](#)

1.1 Price Review 6 (PR6)

The Price Review 6 period commences in 2026 and concludes at the end of 2030. The TSO will prepare and make a detailed Network Capex submission to the CRU during 2024, therefore the development of this multi-year incentive plan takes place within the context of the development of the broader PR6 programme and submission process. It is therefore not considered prudent to make specific programmatic commitments without firstly considering the alignment with the strategic elements of the future PR6 submission. Further detailed information is expected to be available for the development of the 2025 incentive plan. For the avoidance of doubt, the TSO will continue to progress existing plans (including existing Network Delivery Portfolio project and portfolio milestones) to promote the wider aims of this incentive, to achieve Climate Action targets and to deliver the efficiencies expected by consumers and industry.

2 IPD Scorecard Overview

This Balanced Scorecard proposal for 2024-2028 builds on the 2023-2027 plan following the same core principles and using a similar format, with the PR6 exceptions noted above. It is in keeping with the aims of the CRU to improve transparency over the efficiency with which key processes are undertaken and to incentivise appropriate focus on delivery of projects to achieve 2030 targets set out in the Climate Action Plan.

This is the third multiyear plan and balanced scorecard plan, covering the period 2024-2025 (as well as 2026 to 2028 at a high level). The IPD Balanced Scorecard 2024-2028 contains six complementary metrics across the six step Grid Development process. It has been updated to incorporate the CRU's feedback from 2022 and 2023, including the inclusion of additional reporting requirements to the CRU. The TSO will provide information on the timely delivery of its Network Delivery Portfolio (NDP), how projects and programmes delivered contribute to meeting strategic goals and to ensure that benefits for consumers are realised. The TSO will also provide detailed reporting to CRU on the progress of projects through the investment cycle as required as part of this incentive.

Qualitative aspects of the scorecard involve an assessment of the implementation and effectiveness of the IPD plan and demonstrable impacts. Quantitative aspects of the multi-year scorecard are focused on timely delivery to programme, the first of which is an assessment of the delivery of the baselined capital transmission outage programme (TOP) by the TSO and Transmission Asset Owner (TAO). In addition to this, the timeliness metric introduced in CRU20226⁴ assesses the TSO's network portfolio delivery against the PR5 plan, with reference to the TSO's published NDP.

⁴ [CRU20226 – 2021 Balanced Scorecard Information Paper](#)

2.1 Proposal Overview

The IPD plan for 2024 includes the review, assessment and outturn delivery performance of the following major infrastructure programmes and portfolios in line with PR5 plans. These metrics are summarised in tables 1 and 2 below:

1. The Network Delivery Portfolio 2024 - published on EirGrid's website⁵,
2. The Transmission Outage Plan 2024 - published on EirGrid website⁶,
3. Narrative summary on benefits delivered as part of 1 and 2 above and an assessment of timely delivery,
4. Detailed reporting on the progress of projects through the investment cycle.

The incentive areas within the balanced scorecard are by their nature complex and will therefore, for the most part, be assessed on a qualitative basis by the auditors. Given the complexity of the IPD incentive proposals and the approach necessary to progress them, it is not practical to specifically define the incentives in terms of quantitative metrics or granular milestones. Instead, as above, reference to approved plans and published programmes will be the basis of assessment for the IPD balanced scorecard which will be provided to the CRU. Outturn performance will also be included in the annual IPD report which is published on EirGrid's website⁷.

The following sections outline the qualitative and quantitative metrics to be assessed as part of the PR5 multi-year IPD Balanced Scorecard 2024-2028⁸.

Multi-Year PR5 Balanced Scorecard 2024-2028						
Metric No.	Metrics / Outcomes	2024 (Specific Targets)	2025 (Specific Targets)	2026 (High Level)	2027 (High Level)	2028 (High Level)
1	Step 1 Approval of Need	Qualitative Review	Qualitative Review	Based on PR6 Programme Evolution	Based on PR6 Programme Evolution	Based on PR6 Programme Evolution
2	Step 2 Approval of Solution Options	Qualitative Review	Qualitative Review	Based on PR6 Programme Evolution	Based on PR6 Programme Evolution	Based on PR6 Programme Evolution
3	Step 3 Approval of Best Performing Option	Qualitative Review	Qualitative Review	Based on PR6 Programme Evolution	Based on PR6 Programme Evolution	Based on PR6 Programme Evolution
4	Step 4-5 Routing & Planning Process Approval	Qualitative Review	Qualitative Review	Based on PR6 Programme Evolution	Based on PR6 Programme Evolution	Based on PR6 Programme Evolution
5	Step 6 - TOP Delivery	TOP24 Baseline	TOP25 Baseline	Based on PR6 Programme Evolution	Based on PR6 Programme Evolution	Based on PR6 Programme Evolution
6	NDP Delivery vs PR5 Submission	NDP24	NDP25	Based on PR6 Programme Evolution	Based on PR6 Programme Evolution	Based on PR6 Programme Evolution

Table 1: Multi-Year Targets 2024-2028

⁵<https://www.eirgridgroup.com/customer-and-industry/general-customer-information/network-delivery-portfolio/index.xml>

⁶<https://www.eirgridgroup.com/customer-and-industry/general-customer-information/outage-information/transmission-outages/>

⁷<https://www.eirgridgroup.com/how-the-grid-works/tso-regulatory-publicatio/>

⁸CRU202354, Table 35 PR5 Balanced Scorecard Framework

2.2 Investment Planning - Steps 1-3

Metric 1, 2 & 3: Qualitative evaluation of the decisions made in steps 1, 2 and 3.

The Investment Planning metrics for Steps 1, 2 and 3 are qualitative metrics, focused on demonstrating the quality and robustness of the investment planning decision-making and the evidence for which is provided to support each gateway 1-3 decision (the gateway decision takes place within the step). This will assess the efficacy of investment planning decision-making covering system needs assessment, potential technology solutions and best option selection towards meeting strategic goals.

The assessment will be conducted through a review of the documentation provided to support gateway 1 (GW1), GW2 and GW3 investment decisions, and the TSO's own plans contained in the NDP. The assessment will also include a review of where the TSO has considered non-wire alternative technology solutions as part of investment decisions during the calendar year. The gateway investment decisions are not subject to review as part of these metrics.

Under these incentives, the TSO will outline the expected benefits of the investment decisions and newly approved projects to be achieved upon project completion. This will be demonstrated through a summary of the expected benefits in the IPD outturn reporting.

2.3 Delivery - Steps 4 & 5

Metric 4: Qualitative evaluation of the decisions made in steps 4 and 5.

In steps 4 and 5, the TSO is making decisions relating to a preferred location, a detailed site, or a route for certain, typically major, projects. The TSO is also making decisions to lodge planning applications to the applicable statutory authority for relevant projects. It is proposed that the quality and robustness of these decisions will be reviewed by assessing the quality of the documentation provided to support these decisions. The gateway decisions are not subject to review as part of these metrics.

2.4 Delivery - Step 6

Metric 5: Quantitative demonstration of the completion of transmission projects in the annual Transmission Outage Programme (TOP).

In step 6, the TSO and TAO agree a construction programme, then a project is built, energised, and goes live after a period of testing. In order to facilitate the building, energisation and completion of projects, transmission outages are required. The TSO develops ambitious annual transmission outage programmes and collaborates closely with the TAO, generators, and customers to deliver the scheduled work within the programme.

The step 6 TOP metric encompasses all aspects of the timely delivery of the baseline TOP, from development to in-season management, to change management and end of year outturn, by reviewing the annual baseline TOP against actual in-season delivery. The TSO will provide a summary to CRU as to how projects and programmes delivered in the annual TOP contribute to meeting strategic goals and consumer benefits realisation.

The TSO will also refer to the Outage Transformation Programme and how initiatives implemented can impact positively on the delivery of projects within the annual outage programme. The programme will enable the improvement of availability and utilisation of transmission outages, as well as improving the management and prioritisation of the portfolio of projects required to deliver the required networks enhancements over the coming years. It is anticipated that projects/programmes in the outage season of 2025 will yield the benefits of this programme.

2.5 Timeliness

Metric 6: Quantitative assessment of TSO's annual project delivery performance against the PR5 Plan.

The timeliness metric was introduced by the CRU in the 2021 balanced scorecard to incentivise the TSO to deliver its PR5 plan in a timely manner. Under this metric the TSO's project delivery is assessed against its PR5 plan, to demonstrate the efficiency of projects moving through the development pipeline.

The timeliness metric methodology assesses the quantity of Capital Approvals and Project Agreements (CAs & PAs) achieved within the calendar year, and Energisations (EIs) achieved within the PR5 period, against the quantity of these milestones planned within PR5 plan submitted in December 2019.

3 Performance Assessment and Incentive Award Scales

The 2024-2028 IPD Incentive Balanced Scorecard is outlined in Table 2 below. CRU/20/154 outlines a 3-point audit performance scale of “strong”, “acceptable” or “below acceptable” for the PR5 IPD Scorecard, and the applicable thresholds included below have been aligned with the CRU’s 2023 Balanced Scorecards information paper, CRU202354.

Area	Metric No.	Weighting	Outcomes	Strong €0.9m	Acceptable €0.2m	Below Acceptable -€0.5m
Investment Planning (40%)	1	10%	Step 1 Approval of Need	Audit - Full Assurance	Audit - Satisfactory Assurance	Audit - Limited / Unsatisfactory Assurance
	2	10%	Step 2 Approval of Solution Options			
	3	20%	Step 3 Approval of Best Performing Option			
Delivery (40%)	4	20%	Step 4-5 Routing & Planning Process Approval	Greater than or equal to 75%	Between 60 - 75%	Less than 60%
	5	20%	Step 6 TOP Delivery			
Timeliness (20%)	6	20%	Timely delivery of the PR5 Plan	Ahead of PR5 plan	In line with PR5 plan	Behind PR5 plan

Table 2: IPD Incentive Scorecard & Performance Award Scale

3.1 Demonstrating Strong Performance

In order to be awarded strong performance during the 2024 - 2028 period, the TSO will need to have implemented additional measures and achieved results over and above what could have been reasonably expected during the period. This can be demonstrated through achieving any one of the following:

- Implementation of process improvements across any of the six steps of the Framework for Grid Development.
- Additional outages included within the TOP to facilitate completion of additional works above the baselined annual TOP programme.
- Efforts undertaken to resolve issues and/or risks materialising that have an impact on the scheduled delivery of high priority projects.

The TSO will detail where and how it has achieved at least one of these additional measures and results as part of its annual audit process to secure a strong performance rating.

In addition, strong performance will also be dependent on the quality of information that the TSO reports to the CRU. TSO is required to provide detailed reports on the progress of projects through the investment cycle, and this additional requirement must be achieved in order to secure an acceptable or strong performance rating.

3.2 Ex Post Adjustment Process

The TSO will review its annual performance across the six steps of the Framework for Grid Development and will evaluate how third party actions, or events outside of its control, may have resulted in, or created, a measurable and justifiable deviation from planned or forecast performance. Where third party actions have facilitated accelerated delivery, this too will be noted in the audit process. This ex-post adjustment process may lead to the exclusion of specific targets or form the basis of performance adjustments arising from such actions or events. This process will be documented and form part of the annual audit assessment process.

3.3 Reporting

In addition to reporting on the metrics within the IPD incentive, the TSO will report to CRU on the progression of projects through the Framework for Grid Development, focusing on the number of projects and the time taken for projects to pass through the six-steps. This report will include the following:

- Number of projects at each stage,
- Length of time projects spend at each stage,
- Overall time for projects to move through the six-step process,
- Clear indication where timelines of projects have changed,
- Barriers to progress and reasons delaying specific projects against the expected progress.

These additional reporting activities are not subject to audit.

3.4 Annual Audit Assessment Principles and Process

The TSO's review of its annual performance will be subjected to an independent external audit. The independent external audit assessment will follow the framework defined below.

1. The TSO will procure the services of an external auditor to undertake an annual *ex post* audit assessment of the applicable calendar year performance within the PR5 IPD Multi-Year Balanced Scorecard.
2. The audit scope will contain a representative mix of the qualitative and quantitative metrics across the IPD for the applicable calendar year.
3. Where a subset of projects is to be reviewed, the auditors will be provided with a full list of applicable projects from which to select a sample to review.
4. A final audit assessment report, with accompanying TSO commentary, will be provided to the CRU⁹.
5. The TSO will provide a high-level summary of its outturn performance, following confirmation from the CRU, in its annual performance report (APR). The draft annual APR report is published for consultation, the final report is reviewed and approved by the CRU prior to final publication.
6. The cost of the audit shall be recoverable by the TSO under opex each year.
7. The TSO supports the approach where the CRU retains a degree of flexibility in the apportionment of a final annual IPD incentive award, within the multi-year framework, taking account of the supporting audit evidence that is provided by the TSO. This flexibility may include a mid-point award or partial award within the award scale, as demonstrated by the TSO's performance within the specific calendar year. This approach has been reflected in CRU's incentive information papers, most recently, in CRU2023154, section 12.3.

⁹ The IPD incentive audit report is provided to the CRU as part of the annual audit assessment and is commercially sensitive. The IPD incentive audit reports are not for external publication.

4 Stakeholder Feedback

The TSO published a Call for Input Consultation Paper in relation to the multi-year plans 2024-2028 between 10th July and 14th August 2023. Input was requested from stakeholders in relation to the plans in advance of finalisation and submission of same to the CRU.

One relevant response was received from EDF Renewables (EDFR) Ireland which included a number of comments relating to the IPD incentive, namely;

- Connecting Projects
- Network Reinforcements
- Future Network
- Investment and SNSP
- Adequate Resourcing
- Accelerated Processes

The TSO's IPD outturn submission, reviewed by the external auditor, will provide a clear audit trail from stakeholder feedback to the actions taken by the TSO in 2023.

How we have implemented the feedback

- Connecting Projects - EirGrid is progressing connection projects that are ready for build-out as soon as is possible and in line with Enduring Connection Policy (ECP). Upon offer execution EirGrid works closely with customers to develop a more in-depth schedule for project delivery. EirGrid endeavours to improve on the lead-times for customer connections where reasonably practicable.
- Network Reinforcements - The TSO published Shaping Our Electricity Future (SOEF v1.0 published in November 2021 and v1.1 published in July 2023¹⁰) which outlines a pathway towards meeting the 2030 government renewable energy ambitions. SOEF highlights the network, market, and operational requirements necessary to meet the Government's 2030 RES-E target. It aims to do this in a manner which balances technical considerations, cost implications, environmental impact, social acceptance, and deliverability. We are committed to implementing all aspects of SOEF to achieve the target.
- We are also in process of strengthening our existing infrastructure by adding more capacity, upgrading/upvoluting the lines, deploying new technology options such as Dynamic Line Ratings, Power Flow Controllers, STATCOMs, Series Compensation etc. to cater for more Renewable Energy (RE) in our system. New network developments are being planned to connect more renewable energy in the system. We report progress on building out the transmission network in our published Network Delivery Portfolio (NDP) for ca. 360 projects on a quarterly basis. The IPD incentive also reports on the timely delivery of this portfolio.
- Future Network - In addition to SOEF, EirGrid is working on the next iteration of Tomorrow's Energy Scenarios. The needs assessment component of this project will focus on the network requirements post 2030 (i.e., 2035, 2040 and 2050) needed to enable a net zero power system.
- Investment and SNSP-Requirements for future investments and the ability to operate the transmission system up to a maximum of 95% SNSP are outlined in the TSO's major published documents including SOEF v1.1 July 2023.
- Adequate Resourcing - The TSO welcomes EDFR's comments on resourcing to deliver upon the renewable ambition and notes that these discussions are held with the CRU as part of the Price Review process.

¹⁰ [Shaping Our Electricity Future \(SOEF\) V1.1 July 2023](#)

- Accelerated Processes - The TSO seeks to continually develop processes to deliver its projects including paralleling and accelerating activities and milestones. Examples of this include combining steps in the TSO's six step process, early engagement with ESB Networks on project development and advances in the outage process as part of the Outage Transformation Programme. The above noted initiatives are demonstrated as part of the of the IPD incentive in the audit and outturn reporting processes.

5 Summary

The PR5 multi-year IPD Incentive framework represents a detailed view of how the TSO's performance will be measured across the six-step process during 2024 to 2028. The assessment methodology is extensive and provides a high level of assurance that the TSO is delivering against its targets to a high standard, in a timely and efficient manner, and that it continuously seeks to go beyond what is required.

The development of this multi-year joint incentive plan takes place within the context of the development of the broader PR6 programme and submission process. It is therefore not considered prudent to make specific programmatic commitments within this plan without firstly considering the alignment with the strategic elements of the future PR6 submission. As noted above and for the avoidance of doubt, the TSO will continue to progress existing plans to promote the wider aims of this incentive and to deliver the efficiencies expected by consumers and industry.

Appendix - Acronyms

APR - Annual Performance Report

CA - Capital Approval

CRU - Commission for Regulation of Utilities

ECP - Enduring Connection Policy

EDFR - EDF Renewables

EI - Energisation Instruction

GW - Gateway

IPD - Investment Planning and Delivery

NDP - Network Delivery Portfolio

PA - Project Agreement

PR4/PR5/PR6 - Price Review 4/5/6

RE - Renewable Energy

RES-E - Renewable Energy Share in Electricity

SNSP - System Non-Synchronous Penetration

SOEF - Shaping Our Electricity Future Roadmap

TAO - Transmission Asset Owner

TDP - Transmission Development Plan

TOP - Transmission Outage Programme

TSO - Transmission System Operator